

Drawback Business Webinar, August 11 - Transcript

>> Good afternoon everyone. We will start the webinar in a few minutes so please hold tight. >> Good afternoon everyone. Thanks for joining us. My name is Lena Torrence. I'm in international trade specialist. I'm with the commercial operation revenue and entry division. Expect this is Chris Yetman. On the branch chief for drawback

within the core division as well. Nina and I will be presenting this webinar. We will be going back and forth and making clarifying comments on each slide as necessary. We will address questions after we've got to the slide deck.

Thank you.

On Tuesday there was a technical webinar that covered the technical aspect of the drawback.

This is the business and policy side of the drawback.

The highly anticipated ACE Drawback Deployment will take place on October 1. Will - this will be the sole system, electronic system for inputting drawback claims we will still be expecting mail claims and we will go into battle a bit more later run into the presentation.

After the initial deployment on October 1, we will focus on post core functionality. This will include enhancements to meet drawback limitations it also the customs re-customization at also known as [Indiscernible].

At this time over the next year or so, we will be focusing the policy office will be focusing on the laws, regulations and policy. This is so we can comply with the mandates. >> Let's take a look at some of the differences between Ace and ACS drawback filings. >> Entry types 41 through 46 are no longer valid. There will be entry type XLVII only. Along with entry type XLVII filers will provide the applicable statutory provision. You are required to upload documents of the complete claim into DIS, the digital image system. We will go over the documents that will be accepted in DIS in a moment.

CBP form 7551 will no longer be required as long as well as form 7552, the certificate of manufacture. These are electronic forms. They are no longer required as papered or any other version.

There will be a limit of 5000 lines for input for data input. We will also be leveraging the ace portal to submit form 28 through the ACA portal. If the filer has elected not to receive documentation through the ACA portal and you will receive form 28 through US mail. You will also respond back through US mail. If it was submitted through the ace portal then you will receive a response through the ACA portal.

To expand and clarify a little bit on what Lena said, part of the ACE transmission will basically capture things from the 7551 and the CM and that's why those will not be required anymore because the ACE will capture that electronically. The 5000 line transmission is a per record not based upon file size and things of that nature. It's a record limit within the ACE drawback module. As we imagine, filings are still required at the HDS six level but we can accept them all the way up to the 10 digit.

The elements of a complete claim, 191, 191.51 are unchanged for now. So a complete drawback claim will consist of the 7551 website which is electronic so you don't have to upload it or paper wise. It will also require a

DIS submission of all the applicable documents within a 24-hour period. So if you submit a claim but you do not upload the applicable documents in DIS, it is not considered a complete claim by CBP.

Here is a list of the claims that cut depending on the type of drawback claim, the 7553, of course, and that will be led uploaded in DIS. All of these documents will be uploaded in DIS. I won't go through the complete list. But depending on the claim these are the documents that need to be submitted . >> Also tied to want to note that if it is a manual claim cut you will still need to submit 753 and 7551 . >> The intent of moving drawback into ACE is twofold. Not only to automate and mood to ace as the system of record as we have done with other processes, but also to automate things cut to simplify things and really be a prelude to drawback simplification as will be implemented through the trade facilitation trade enforcement act.

Going even further to simplified processes beyond that. To streamline a way that we process drawback, the way we receive it and the way that you and the trade submitted so it allows us to have tighter control over excessive claims and overpayment that helps us address internal file audit findings and we will have revenue validations in place that will assist in doing that. Those can change over time. They will change over time in accordance with the law . >> Functionality for use with AP and accelerated payment proof claimants , ability to address percent performance gaps that we have cut tighter integration with release processing with collection and statement. They are very much interrelated, it really duces paper .

Will capture that information in the electronic transmission and as we have done in ACS they will be able to decrement against the imports .

S-1 manual claims, we will still accept them at the drawback centers. What will be required when submitting the manual claims is the drawback coding sheet . Like I said earlier, CBP form 7551 and 7552 are still required. We are asking that the submissions be limited to 50 or fewer underlying entries. This is a very labor-intensive process for the drawback specialist and the technicians to input claims into the ACE system. Were limiting those claims to 50 or fewer underlying entries. Manual claims are processed within 120 days were as generally the electronic claims are processed within three weeks . >> Some resources that you may use the DIS implementation guide that was recently updated last month . The ACE ABI CATAIR was updated last month as well. We are in the process of finalizing the drawback chapter of the ACE entry summary business rules and process document. That will be announce, but that should be coming out soon .

The ace business rules and documents will be coming out as soon as possible but no later than 30 days prior to the October 1 deployment day. We are working feverishly to get it done. We had recent working group discussions on enhancements to that document. That is currently being updated and embedded within CBP and will go into greater detail with regard to the process, how to cut some of the formatting, and the types of - to Cemex said - some extent the electronic submission of drawback claims and the ACA environment .

That will include and expand on the questions and answer a lot of the things that we anticipate are out there within the trade community . >> So, we thought that even though this is a webinar that is based on the upcoming ACE deployment and drawbacks and ace, the drawbacks that we anticipate as sweet forward in implementing section 906 in trade facilitation and trade enforcement act which is referred to as drawback simplification, making the process easier , and making it more electronic in the way that we capture drawback related data .

That will be accomplished both through changes in the current regulations, but it will also be accomplished through automation. So ACE and changes that are happening due to the law are two sides of the same coin. They go hand-in-hand.

They will be able to implement what is changing not only in a regulatory fashion but also in automation. So just as a high-level overview of some of the major changes between the two sections, between the old law and the new law. The substitution standard changes we no longer will have commercial interchangeability determinations but rather will substitute based on HDS at the eight digit level or I guess the schedule will be at the same level .

Electronic filing, which is currently submitted in ACS but is really not an electronic process but rather an upload manual based process will become fully electronic. Under the law we are handed that only electronic uploading will be allowed.

Time frames. Right now, the current law indicates that for record-keeping purposes, three years from the date of payment of the claim is how the current Rex Reed in the current laws establish. Under the new law that changes from two years from liquidation of the claim and this is one way to really address again some internal audit findings but also to keep things level with regard to left - record-keeping timeframe. So outside of 19 CFR that will have to be updated as a result. Drawback filing claim timeframe [Indiscernible] now are due five years from the claim. Date of importation to merchandise which is the drawback of the merchandise.

[Indiscernible] currently claimants must retain documents like CM and Deese, import to a claim where they are not the importer of record. [Indiscernible] so things kept in the normal course of business.

Proof of export is another area which changes as a result of the law. Documents are submitted in hard copy currently both via ACS and in ACE where they can be imaged. So the goal here is to establish a ES coffee automated-esque sport system or perhaps another way to manifested, when CBP can establish that then we will be able to use that as a reliable system for establishing proof of export and imports can be electronically traced to the export. We would like to do that at the line level so that it really leads to future development that we need to accomplish in order to do that. >> At this time, that concludes our formal presentation. If there questions coming in via webinar, we will try to answer those this best as possible. >> So the question is, we don't have to submit the form summary 553 now unless requested. That continues to be the case. It will be upload about the ad DIS but it is not required as part of the initial claim transmission. It is something - if something were to change in that effect we would make sure it would change to the documents.

How will certificates of manufacture be dealt with question marks back I think it probably relates to existing CM's as opposed to teacher claims. That will be something that we will have to look at an address. But in terms of new transition, can't the CM's are no longer needed because we are capturing the data in the transmission initially.

DIS is the document imaging system which is part of a CE. It is the means by which we receive electronic transmissions of certain documents. It is used for various other summaries to receive that information electronically.

Will electronic ACS be turned off when it is turned on.

Ace will be turned on October 1 and ACS will no longer be available. >> Will this be recorded when available?

I believe this webinar is being recorded. The specifics of it I'm not 100% sure of how it will be released. But we will have the content available. That ACA business rule will clarify any issues we discussed the day. Or anything that may be contradictory that may be fleshed out there. That document will will.

This is actually with the ACE business office. We will be hosting the recorded webinar on CP.gov. That will be available tomorrow.

Thank you Ashley. >> Just looking for additional questions that we can try to address. CBP is claiming the file size will be 9999 months. So why verify alignment. It is likely this is going to change as we've been instructed by the court.

It is a record limit as opposed to a line limit on the submission. I think there is a distinction there. I would defer to the ACE technical folks as to how that translates to lines specifically. Hopefully, I can get you a better answer or include some documentation on that record limit and its impact in our processes will.

Another question: we normally submit underlying reports with their claim and zip files on CD. I've is no longer required?

The means for submitting additional documentation for an ACE claim would be via the document imaging system. So files on CD would not be the preferred method. >> Another question: the current drawback to file, would we prefer [Indiscernible]. I don't know if we have a preference in that regard. Your own business processes dictate that we would be better for each week, that is completely a business decision on your part. But I would encourage anyone as the CERT environment for ace - ACE but I would suggest is familiar self and identify any sure first that we need to address prior. >>

We have a question on unit of measure and inconsistencies: notes one and two may be required. We use the unit measure on the import line put in the description for the record it's as it can be based on the invoice unit of measure.

My understanding with the ace business office on this is that we are not necessarily validating against the specific unit of measure, but if the unit of measure is acceptable in one form or another and not necessarily specific to your line, it will be accepted in the ACE transmission. >> So CBP currently has provisions for uploading documents versus email versus DIS. Will happen be an option.

DIS procedures will prevail. I believe the email option is out there for DIS as well. So that will remain in that sense. >> Can you explain the timing of the bond [Indiscernible] confirming the DIS documents are loaded.

This one I will have to take back. I do not have an immediate answer on the timing copy I will confer with the ACE business office capability and clinic owners and see how this is happening.

[Indiscernible].

A good question. All historic records from ACS will be migrated over to ACE. So there will be some challenges with records that are submitted versus ABI and atheist is prior to the cut over, but that information will be available for future ACE claims and will be available to be process based upon current procedures.

Can the trade center and test claims now. As of Tuesday, there were some technical difficulties in the CERT environment which is a test claims would be submitted. I know that

ABL and our office of information and technology were working to resolve that technology so that certain numbers would be available and you could give texts claims.

[Indiscernible] with correction to that as soon as possible. >> We have another question about - do we need to filing a bond in an SCE needed to support drawback and filing - knockout if it's filed in paper format is a paper STD require.

I do believe that's correct. I don't believe you would need levels of bonding but again I will take the question back because I don't want to give any information here today. Thank you for the question.

Another question about STB's. Why do we need to fill the amounts for the STB but not continuous in bond detail groupings. Should this not tie darkly to the E bond. Again, I will have to confer with the ace business

office as to how those are tied together in what the validations like and why that information is kept - capture. I will write the question down and drank it the best response . >>

We have another question : does this apply to all the drawbacks including manufactured drawbacks. The question is little nebulous. I will just say that all types of drawback will not be processed in ace - ACE, submitting a entry type to delineate what type of drawback you are submitting, we will select the statutory provision . All types of drawback will not be processed in ACE on October 1 .

Is there a list of error codes for the list of filing claims. I don't believe we have published a list of error codes or responses you will get one submitting an ace drawback claim. We are currently going over those validations and what items will result in an error, warning, or rejection. Once we get those of insert Kai think you'll start to see the types of errors that might come up. That is why testing will be important .

Why do we have to put [Indiscernible] indicator for import [Indiscernible]. This is a more [Indiscernible]? This is a technical question that goes back to a B0. We will have to confer with them.

For a paper drawback submission seeking accelerated payment and STB will that be an a bond or must it be a printed paper bond now I'm not able to provide a lot of insight into that at this time. I will take the question back and we will get some answers for you .

Why is commercial interchangeability the only privilege that can be pending. Shouldn't we be able to decay for manufacturer [Indiscernible]. That would be a status

shown for different privileges. The privilege process in general has not changed. Application for privileges will continue to be submitted via paper. In terms of what can be listed in a particular status, that will be something we will have to look at from a policy standpoint as to whether we want to continue to do it cut to list certain things as pending versus another status for those types of privilege applications . >>

Will the submission of documents to DIS be handled the same way they are for entry summaries, the request is sent and then the documents are uploaded to DIS. Will we receive some kind of message for DIS or will we have to upload the documents when we file with ACE. The DIS follows the same [Indiscernible] the time I mention is how we treat choir documents be [Indiscernible] there is an acceptance response once your DIS has been uploaded that she will know that CBP has received a . >> How will customs be handling duty drawback privileges such as AP waiver prior , etc. The process remains unchanged. He still was up apply and submit the paper request to your drawback centers. >> I think that is all of the questions that we have received. There were many of them so I appreciate all of those. I apologize for the ones that we were unable to answer immediately cop but we will do our best to get those answers. Again, please be looking for the ace business rule processed excellence which will be posted as soon as we have completed it. I think that will go a long way to explain a lot of the pending questions and as we were unable to address . >> Again, thank you for your participation. If we need to run another one of these webinars, if there are more members of the trade community were interested in receiving a webinar like this, please let us know and were more than happy to, besides it being - the recording ring posted , we will run another session. Thank you everyone. >> [event concluded]